Status and update on progress of business register

1. The Business Registers Unit, that manages the operation of the UK Inter Departmental Business Register (IDBR), currently has 115 staff. After a few years of organisational restructuring for the Unit, it now comprises 5 sections:

    - Analysis, administrative data & development
    - Business profiling
    - Training & documentation
    - Comprehensive Business Directory (CBD)
    - Annual Register Inquiry (ARI)

2. Taking the latter of these, the Annual Register Inquiry is an annual survey for updating structural information on the business register. It is an enterprise based inquiry that collates information about local unit employment, classification and their structures within an enterprise. The ARI is the primary updating source for the register, whereupon the register is annually updated with the information in July each year.

    The ARI (previously named the Annual Employment Survey) has historically been conducted on an annual basis, collecting data between September and April. Since the introduction of the ARI in 1999, there was always the aim of converting the survey into a rolling inquiry operating throughout the year. To introduce this and consider other changes to the ARI, a project has been in operation since late 2000 that culminated in the first quarterly ARI despatch in August 2001.

    Rather than a single/annual ARI despatch in September, the survey now has 4 quarterly despatches commencing in August each year, although it is still based around an annual sample size and an annual update to the register of the classification and employment data. Each despatch is more or less a quarter of the annual sample although there is flexibility, for example the 'key' special cases are sent out in the earlier quarters to guarantee response in time for the July annual update.

3. The Unit is involved in many Eurostat-funded projects covering business demography, register quality and the change to the NACE coding. Most of these are ongoing, although the project to assess the quality of the business register was completed in June 2001. This study examined the error rates of a range of variables including classification and employment, and considered the impact of register quality deficiencies on employment population estimates that are derived from the register. As the UK does not conduct a register quality survey, the responses to the ARI were used to gauge quality. A limitation of this method is that the ARI does not distinguish between a change and an error, therefore the 'error' rates are the worst case scenario.

    Classification error rates were 7% at the enterprise unit level (5% at employment level) for 2-digit standard industrial classification (SIC92). As the difference indicates, the errors predominated in the smaller sized units, and these were mainly in the miscellaneous industries and derived from administrative inputs. Producing population estimates proved a more difficult task, as the ARI is not designed to produce population estimates, and an estimate 6% higher than the register employment levels resulted. Further work to refine the estimation methods is

required. However, this project produced the most detailed quality measurement analyses undertaken in recent years and will evolve into an annual report of register quality.

4. In Auckland, the UK reported on a review that had been undertaken of the business register as part of the National Statistics Quality Review programme. In April this year, the report of the review was published on the National Statistics website www.statistics.gov.uk . It concluded:

    'The overall assessment was that the IDBR is of good quality. Improvements are needed in some areas to ensure that the IDBR better meets the needs of all users. Based on the limited range of quality measures currently available, the IDBR is comparable with the better business registers of the world.'

    The report made 29 recommendations. The ONS accepted in principle all of the recommendations in its initial response to the publication of the review, and an implementation plan to take them forward was made available on the website in September. In tandem, a business case has been made to the ONS Executive Board to propose the funding requirements for implementation and a project board is being initiated.

5. On an annual basis, the publication entitled 'Size Analysis of UK businesses' is produced from the register. The 2001 edition saw a shift to a fully electronic version as opposed to the paper format of earlier years. The ONS' dissemination policy ensures that all 'business monitor' type publications are solely available free of charge via the website in a PDF format for both viewing and downloading. The number of 'hits' to the website for this are monitored and has shown significant interest in the register data.

6. Allied to this, the range and demand for bespoke register analyses from customers continues to grow, with data of a more disaggregate geographical nature being the most requested information. Two examples of this include:

    - Local authorities - developments are occurring to give them fairly comprehensive and disclosive data for their areas and in return to accommodate feedback from them. In theory this is fine, but their responses can be in conflict with administrative data and returns to ONS surveys – methods for prioritisation are being sought.

    - Neighbourhood Statistics Service - the UK has recently launched this, which will offer users ready access to a vast range of social and economic aggregate data on a consistent small-area geography and supported by a range of powerful analytical tools with which to turn the raw data into relevant and comprehensible information. Data from the business register plays a key role within this development.

7. IDBR data as at 10 August 2001 is shown below. Proven means that known local unit details are held for the enterprise on the register, with unproven indicating that they are not.

	Numbers ('000s)	Employment (millions)
Proven enterprises	681	22.87
Unproven enterprises based on :		
- VAT & PAYE	334	1.46
- Unproven VAT-only *	814	1.85
- Unproven PAYE-only *	280	0.78
Total enterprises	2.109	26.96

* potential for some duplication

8.   For the Comprehensive Business Directory project, the early stages of the study concluded that a single database and numbering system meeting all government services was not feasible, but a central facility bringing together disparate data for a number of determined purposes through an intelligent and secure process is achievable. As such, the past year has focused on the legal and privacy issues, and on piloting data matching and warehouse tools for specific use within the four partner government departments.

A system is being developed that will draw data across the Government Secure Intranet (GSI) under the aegis of legal gateways currently in place. Therefore the data will only be used for the express purposes of those gateways. Once this is established it will be possible to include matching and data cleaning tools to expedite transfers from administrative sources through to the IDBR. With this strategic facility being hosted on the GSI, it will maximise use by all GSI members, thus enforcing the coherence of public sector work.

More information will be provided in the UK presentation for the 'Managing relationships with administrative agencies' session.

Issues and problems resolved during the past year

(Most issues covered in general progress above, but the main 4 to highlight are covered here)

9.   The organisational structure shown in paragraph 1 has only been finalised within the last year, with the addition of the business profiling and ARI teams to the Business Registers Unit. This integrated approach has created a kind of 'one-stop shop' environment that has produced efficiencies.

10.   The IDBR Quality Review provided a confirmation of the quality of the register, and has focused efforts on the main areas for development.

11.   The Annual Register Inquiry project enabled us to develop a more clear focus on the delivery of the 'rolling' survey. The new system deals with continuity issues and has resulted in a more efficient set-up for undertaking the survey.

12.   Within the Comprehensive Business Directory project, a secure method for bulk electronic transfer of data from Customs & Excise has been put in place, together with direct interactive access to Companies House data as part of the business data virtual hub development.

Issues and problems unresolved during the past year

13.   Register analyses are produced on a tabulation package named TPL (Table Producing Language), together with SAS for more statistical work. Business Registers are the sole users of TPL within the Office, and indeed there are many other bespoke systems in operation. As such, the Office has recently initiated a statistical infrastructure project to consider streamlining the range of products throughout the Office, and having a key set of corporate tools. For tabulation work, the product SuperSTAR has been proposed. In testing on register data it has proved to be very effective, and if the business case for the product is approved by the Executive Board, then there will be a migration towards it by end March 2002.

14.   We have not progressed as much as we would have liked on developing electronic data collection for the Annual Register Inquiry. The main method is for paper forms to be scanned on return to the Office, although about 200 businesses complete their response to the survey on diskettes. The intention is to move to web-based collection, but due primarily to security issues an operational system is not yet in place.

15.   On a technology note, we have been delayed in our work to implement a Graphical User Interface. The register operates within a Unix environment using an Ingres relational database management system. The Office is currently in the process of testing Ingres 2 and Lotus Notes 5 and after implementation of these, further work will proceed on the GUI project.

<u>Future plans</u>

(In addition to developing the items covered in general progress above, the main future plan concentrates on the Comprehensive Business Directory (CBD).)

16.   As part of the CBD initiative, we are intending to move to a more frequent and direct method of receiving administrative data. We have just moved to receiving Value Added Tax data on a daily basis via electronic transfers – this is possible through the Government Secure Intranet (GSI). We hope to move to a similar transfer method for the the quarterly Paye As You Earn data. This is currently received on tapes, but the intention is to move to electronic transfers in April 2002.

For the two other main input sources - company registrations (Companies House) and enterprise group linkages (Dun & Bradstreet), the intention is to increase the frequency of updating from quarterly to daily for the former and annual to quarterly for the latter.

In developing these with other government departments, there are still some unresolved issues with security.